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SPECIAL UTILITIES REPORT

Coal Industry News

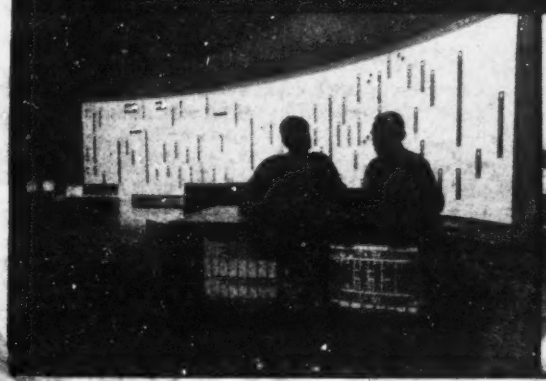
COAL'S NATIONAL NEWSPAPER

V003#0101062700VA T
CONGRESSIONAL INFO SVC
MS JEANNE LENO 9999
2101 WISCONSIN AVE
WASHINGTON DC 20014

Bi-weekly $2.00 | September 8, 1980 | Volume 4, Number 17

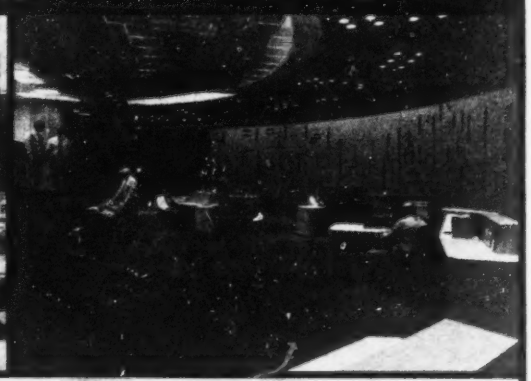
The Road to Coal Conversion:

Utilities Find 'It's Anything But Easy'



ORANGE & ROCKLAND'S CENTER controls energy in 7 counties.

UNIT TRAIN HAULS COAL for use in modern power plant.



O&R'S CONTROL CENTER MONITORS reliability and power flow.

By GENE SMITH

The road to coal conversion — as countless electric utilities know — is anything but easy.

Giant Consolidated Edison fought for years to secure the permission needed to allow it to burn oil with 1.5 percent sulfur content for a one year test that it feels certain will pave the way for eventual conversion to coal at three of its New York City power generating stations.

Massachusetts Municipal Wholesale Electric Company officials are working round the clock to obtain permission and funds for a coal gasification plant to be added to a 500-m.w. oil-fueled plant under construction at Ludlow, Mass. They estimate this one addition could save the state two-million barrels of fuel oil a year. Boston Edison, which has complied with the state's Department of Environmental Quality Engineering regulations for burning oil with one percent sulfur content, now seeks permission for burning 2.1 percent sulfur-content oil. This could be used as a guide for future coal conversions.

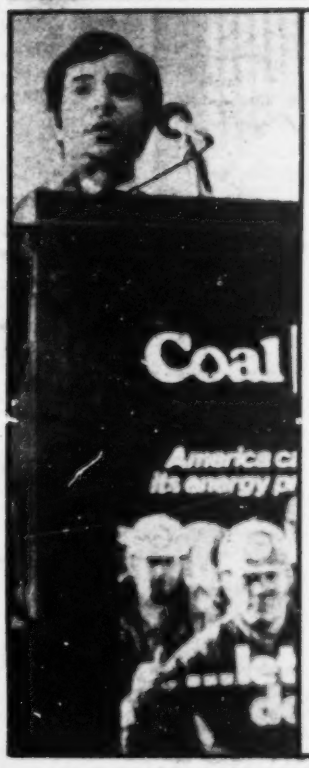
Orange & Rockland Utilities, which serves 625,000 customers in a tri-state, seven county area North and West of New York City, estimates it could save its customers over $50-million a year if it were allowed to burn coal at its Lovett plant on the Hudson River. However, if the usual regulatory procedures are followed, the actual conversion process is not expected to be completed before 1986.

O&R sought to explain its problem to the public in its 1979 annual report by illustrating its cover with a graph showing how it used to pay $2 a barrel for oil in 1970 and is now paying more than $31.

It explained its plight further in its stockholder letter:

"Despite our successes in cutting our use of OPEC oil in 1979 through short-term use of natural gas and

(Continued on Page 20)



A Hard Look at Coal From Nick Joe Rahall

As the 96th Congress rushed headlong toward election-year adjournment, Rep. Nick Joe Rahall, II, Democrat of West Virginia's 4th District, and the founder and leader of the Congressional Coal Group, took time a week ago to discuss with CINews publisher Owen Kean and Washington correspondent Paul Feine his views on the current state of pending legislation with massive potential impact on the coal industry, and his observations on the industry's future. The following article sums up the results of that interview.

By PAUL FEINE

At first glance, Nick Rahall comes across as a bright, energetic, enthusiastic young Congressman not unlikely many other new members of

A CINews Exclusive

Congress elected in the past decade. After listening to him discuss a wide range of national issues for a few minutes with a knowledge and insight not often found in far more senior members of Congress, the casual observer begins to realize what led the National Education Associa-

(Continued on Page 19)

CINews' Forum to Feature Wilson, Sawhill, Fishwick

"The Economics of Coal's Future."

That's how Owen Kean, CINews publisher, describes the one-day seminar he has set for Sept. 30 at the Pierre Hotel on New York City's fashionable Fifth Avenue.

The list of speakers reads like a "Who's Who in Coal."

It includes MIT Professor Carroll T. Wilson, who headed the much-heralded WOCOL report on the industry; John T. Sawhill, deputy secretary of the Department of Energy; John P. Fishwick, president and chief executive of the Norfolk & Western Railway; James Wilcock, chairman of Joy Manufacturing; and a host of other luminaries.

(Continued on Page 11)

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OVERTON LAUDS joint government-equipment industry efforts at meeting MSHA standards in record time. (Page 2)

PACIFIC POWER & LIGHT PLANS 330-MW coal-fired plant at Gillette, Wyo. (Page 5)

APOLLO CLAIMS its new conditioner solves fly ash collection problems. (Page 5)

UMW/BCOA SEE political and labor porblems arising over coal conversion bill. (Page 7)

JOHN CORCORAN'S REFLECTIONS questions validity of railroads' views of coal transportation costs. (Page 15)

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DOMESTIC

Production	8/16/80	8/9/80	8/18/79
Bituminous, recent week	17,170	17,185	15,910
Bituminous, year to date	515,535	498,365	470,648
Anthracite, recent week	101	131	125
Anthracite, year to date	3,559	3,458	3,576
Railroad carloadings			
Bituminous, recent week	117,130	117,219	110,734
Bituminous, year to date	3,537,834	3,420,704	3,179,400
Anthracite, recent week	543	699	635
Anthracite, year to date	18,656	18,113	17,599

Production data in thousands of short tons.
Source: U.S. Dept. of Energy, Energy Information Administration - Weekly Coal Reports.

Production by states, bituminous and lignite	8/2/80	7/26/80	8/4/79
Eastern			
Alabama	546	504	520
Georgia	1	1	15
Illinois	1,309	1,326	1,276
Indiana	537	536	536
Kentucky:			
Eastern	2,279	2,261	1,829
Western	819	787	861
Total, Ky.	3,098	3,048	2,690
Maryland	116	75	100
Ohio	904	890	893
Pennsylvania	1,906	1,933	1,939
Tennessee	282	256	214
Virginia	955	909	841
West Virginia	2,115	2,124	2,033
Total, eastern	11,769	11,602	11,057
Western			
Alaska	14	12	15
Arizona	265	265	250
Arkansas	13	13	15
Colorado	345	328	285
Iowa	11	11	15
Kansas	9	10	14
Missouri	126	129	124
Montana	803	821	750
New Mexico	243	276	200
North Dakota	302	340	307
Oklahoma	100	102	161
Texas	579	568	450
Utah	133	127	248
Washington	116	114	90
Wyoming	1,722	1,522	1,029
Total, western	4,781	4,638	3,953
Total, United States	16,550	16,240	15,010

In short tons (000).
Sourse: U.S. Dept. of Energy, Energy Information Admin.: Weekly Coal Report.

Coal Labor	8/80	5/80	8/79
All employees (thousands)			
Coal mining	262.2	258.8	264.5
Bituminous & lignite	259.0	255.6	261.3
Production employees (Thous.)			
Coal mining	216.6	214.0	220.1
Bituminous & lignite	213.7	211.2	217.3
Hours, weekly average			
Coal mining	40.0	39.1	40.9
Bituminous & lignite	39.9	39.1	41.0
Earnings, hourly average			
Coal mining	10.92	10.91	10.45
Bituminous & lignite	10.96	10.94	10.48
Earnings, weekly average			
Coal mining	436.80	426.58	427.41
Bituminous & lignite	437.30	427.75	429.68

Source: U.S. Dept. of Labor, Bureau of Labor Statistics - Employment and Earnings.

TRANSPORTATION: RAILROAD	8/16/80	8/9/80	8/18/79
Eastern district			
Bessemer and Lake Erie	1,069	1,247	1,879
Baltimore and Ohio	6,654	6,105	5,530
Chesapeake and Ohio	15,315	16,016	14,461
Consolidated Rail Corp.	8,838	8,590	10,215
Norfork and Western	18,156	18,482	16,387
Pittsburgh & Lake Erie	175	275	189
Western Maryland	2,332	2,506	2,031
Other, eastern district	14	114	126
Total, eastern district	52,553	53,335	50,798
Southern district			
Clinchfield Railroad	2,254	2,392	1,739
Illinois Central Gulf	4,478	3,763	4,332
Louisville & Nashville	13,254	13,591	14,663
Southern Railway	8,217	7,738	6,514
Other, southern district	15	2	6
Total, southern district	28,218	27,486	27,254
Western district			
Atchison, Topeka & Santa Fe	1,185	1,187	1,619
Burlington Northern	20,185	20,226	17,458
Chicago & North Western	674	687	469
Denver & Rio Grande Western	3,185	3,671	3,257
Kansas City Southern	95	39	135
Chicago, Mil., St. Paul & Pacific	1,110	996	1,417
Missouri-Kansas-Texas	100	102	220
Missouri Pacific	4,538	4,193	4,029
Chicago, Rock Is. & Pacific	—	—	271
St. Louis-San Francisco	878	885	917
Soo Line	79	61	88
Union Pacific	4,259	4,328	2,802
Other, western district	71	31	—
Total, western district	36,359	36,406	32,682
Total, all districts	117,130	36,406	110,734

Transportation: inland rivers	8/23/80	8/16/80	8/25/79
Monongahela River, Lock 3	238,446	236,922	399,832
Allegheny River, Lock 2	22,000	13,800	50,000
Ohio River, Montgomery Lock	219,875	159,297	261,300

In short tons though locks
Source: U.S. Army, Corps of Engineers, Pittsburgh District.

Consumption (thousands of short tons)	6/80	5/80	6/79
Electric power utilities	45,731	41,378	43,905
Coke plants	5,317	6,111	6,414
Other industrial	5,000	5,350	4,986
Residential & commercial	400	425	409
Total	56,448	53,264	55,714

Note: (a) Data available on quarterly basis.
Data given in short tons.
Source: U.S. Dept. of Energy, Energy Information Administration - Weekly Coal Report.

Coal User Stocks of coal (thousands of short tons)			
Electric power utilities	175,120	170,319	134,394
Coke plants	9,872	9,653	9,472
Other industrial	9,400	9,100	8,668
Total	194,392	189,072	152,534
Coal User Production			
Major direct users:			
Electric utilities (Mil. Kwh., Aug. 23, 1980)	47,981	49,507	45,679
Steel (short tons-000) Aug. 23, 1980	1,615	1,569	2,546
Cement, Portland, U.S. ship. (short tons, June, 1980)	6,960,752	6,448,480	8,313,071

Other significant output:			
Aluminum (short tons-000) July 1980	424,607	424,527	428,424
Motor vehicle production, total (week, Aug. 23, 1980)	93,526	86,057	121,276
Machine-tools:			
Net new orders (000-7/80)	310,800	457,200	362,100
Shipments ($000,7/80)	320,050	475,600	267,700

Price Indexes	7/80	6/80	7/79
Coal	467.8	466.9	451.6
Anthracite	462.9	459.7	408.1
Chestnut, Pa., mine	N.A.	410.4	364.6
Buckwheat No. 1, Pa. mine	N.A.	525.0	465.9
Bituminous coal	467.0	466.2	452.0
Domestic sizes	580.7	580.7	573.9
Retail dealers	274.7	274.7	271.5
Industrial sizes, spot	396.1	394.5	392.0
Steam electric util.	122.3	120.9	115.0
Manufacturing	250.6	250.3	251.0
Metallurgical, high volatile	698.5	698.5	710.0
Metallurgical, low & medium volatile	704.6	703.5	706.0
Industrial sizes, contract	132.7	132.5	127.6
Steam, electric utility	159.3	158.9	146.8
Manufacturing	120.1	120.1	116.8
Metallurgical, high volatile	99.4	99.4	104.4
Coke (Foundry by-product)	430.6	430.6	430.6
Birmingham, Ala.	439.6	439.6	N.A.
Milwaukee, Wis.	420.4	420.4	420.4
Detroit, Mich.	423.1	423.1	N.A.
Indianapolis, Ind.	437.7	437.7	437.7
St. Louis, Missouri	286.8	286.8	286.8
Philadelphia, Penna.	285.8	285.8	285.8

N.A.-Not Available

Abbreviations
DOE — Dept. of Energy
EIA — Energy Information Admin.
AAR — Assn. of American Railroads
EEI — Edison Electric Institute
MVMA — Motor Vehicle Mfrs. Ass.
COE — Corps of Engineers
Bit. — Bituminous
Lig. — Lignite
Ant. — Anthracite

FACTS & FIGURES

EXPORTS

	Physical Value			Dollar Value		Prices—Avg. Value per Short Ton			
	June 1980	May 1980	June 1979	June 1980	May 1980	June 1979	June 1980	May 1980	June 1979
Bituminous coal, low volatile blends to make coke									
Japan	2,298,851	1,769,862	1,303,938	133,967,532	101,968,651	77,236,158	58.26	57.61	59.23
Canada	661,114	930,582	739,535	38,281,749	54,842,162	41,762,223	57.82	58.93	56.47
Italy	411,525	631,478	346,452	20,514,551	32,867,569	17,250,883	49.85	52.05	49.79
Belgium	390,687	213,204	162,055	18,924,237	11,432,433	7,062,506	48.44	53.62	43.58
Netherlands	334,739	223,625	213,392	17,216,870	11,798,321	11,106,892	51.43	52.76	52.05
France	319,152	543,981	167,218	17,205,452	29,924,418	9,402,639	53.91	55.01	56.23
United Kingdom	256,307	357,262	641,165	13,651,109	19,273,430	3,581,439	53.26	53.95	55.82
Brazil	249,033	279,415	301,238	15,041,960	14,535,230	17,530,248	60.40	52.02	58.19
Argentina	155,069	119,109	57,914	7,972,430	5,984,699	2,756,112	51.41	50.25	47.59
Sweden	115,657	27,904	110,108	6,101,855	1,490,034	6,154,631	52.76	53.40	55.90
Germany (F.R.) West	112,264	77,819	153,419	5,826,572	4,191,072	6,544,915	51.90	53.86	42.66
Yugoslavia	105,091	128,996	168,601	5,407,361	6,139,904	8,034,098	51.45	47.60	47.65
Total, above	5,410,489	5,303,237	3,788,035	300,111,678	294,447,923	208,422,744	55.47	55.52	55.02
Total other nations	492,569	775,927	692,779	25,889,179	39,394,558	34,448,819	52.56	50.77	49.73
Total, all nations	5,903,058	6,079,164	4,480,814	326,000,857	333,842,481	242,871,563	55.23	54.92	54.20
Bituminous coal, other									
Canada	1,397,937	1,290,097	1,315,138	56,396,840	50,088,900	52,294,266	40.34	38.83	39.76
United Kingdom	422,976	265,394	—	17,435,007	10,815,098	—	41.22	40.75	—
France	333,998	289,917	—	11,962,046	10,522,903	—	35.81	36.30	—
Spain	117,530	117,578	80,289	4,068,827	4,945,387	3,558,141	34.62	42.06	44.32
Italy	106,412	38,507	—	3,788,008	1,397,360	—	26.20	36.29	—
Total, above	2,378,853	2,001,493	1,395,427	93,650,728	77,769,648	55,852,407	39.37	38.86	40.03
Total, other nations	429,173	368,473	18,290	18,252,727	13,773,666	950,043	42.53	37.38	51.94
Total, all nations	2,808,026	2,369,966	1,413,717	111,913,455	91,543,314	56,802,450	39.85	38.63	40.18
Lignite									
Total, all nations	4,362	4,657	3,065	888,378	954,586	413,920	203.66	204.98	135.05
Coal coke for use as fuel									
Total, all nations	219,437	220,731	195,456	12,998,006	15,383,761	10,311,673	59.23	69.69	52.76
Petroleum coke, except calcined									
Belgium	175,573	161,748	62,162	6,290,333	5,833,036	3,286,763	35.83	36.06	52.87
Netherlands	151,109	165,327	131,134	6,461,084	6,581,658	3,090,482	42.76	39.81	23.57
Spain	113,863	—	—	4,251,333	—	—	37.34	—	—
Japan	110,816	238,373	187,765	4,414,159	9,898,381	5,840,132	39.83	41.52	31.10
Total above	551,361	565,448	381,061	21,416,909	22,313,075	12,217,377	38.84	39.46	32.06
Total, other nations	251,312	210,767	267,169	10,567,686	7,329,867	7,662,501	42.05	34.78	28.68
Total, all nations	802,673	776,215	648,230	31,984,595	29,642,942	19,879,878	39.85	38.19	30.67
Compositions used for fuel									
Total, all nations	108	136	1,513	13,728	18,255	231,467	127.11	134.23	152.99
Anthracite									
Total, all nations	183,712	142,735	80,429	9,309,538	9,051,165	4,523,022	50.67	63.41	56.24
COAL IMPORTS									
Bituminous coal									
Total, all nations	64,441	149,189	134,734	1,485,375	3,438,524	2,901,106	23.05	23.05	21.53
Coke suitable for fuel									
Total, all nations	60,538	8,901	566,124	5,210,715	675,306	47,404,340	86.07	75.87	83.73
Compositions for fuel									
Total, all nations	6,884	2,855	4,497	270,046	119,129	114,071	39.23	41.73	25.37
Coal, other, and lignite									
Total, all nations	39,712	57,871	74,218	1,199,124	1,758,171	2,160,178	30.20	30.38	29.11

WHERE & WHEN

A CALENDAR OF EVENTS OF MEETINGS OF INTEREST TO THE COAL AND OTHER ENERGY-RELATED INDUSTRIES.

Sept. 21-24 — 1980 American Mining Conference — "Time to Mine Our Own Business," San Francisco, Cal. Information: American Mining Congress, 1100 Ring Building, Washington, D.C. 20036. Phone: 202-861-2800.

Sept. 29-30 — Conference on The Economy, Energy and Federal Policies, featuring economist Robert R. Nathan; Stouffer's National Center Hotel, Arlington, Va. Information: Robert W. Nash, Executive Director, Energy Bureau, Inc., 41 East 42d St., New York, N.Y. 10017. Phone: 212-687-3178.

Nov. 12-14 — Sixth Institute on Mine Health and Safety, Colorado School of Mines. Information: Prof. Robert T. Reeder, Director, Institute of Mine Health and Safety, Colorado School of Mines, Golden, Col. 80401. Phone: 303-279-0300, ext. 2708.

Nov. 18-20 — International Energy Management & Facilities Improvement Show at Expocenter, Chicago. Information: ExporManagement, Inc., Suite 1048, The Apparel Center, Chicago, Ill. 60654. Phone: 312-329-1191.

Nov. 18-20 — Coal Technology '80, 3d International Coal Utilization Exhibition & Conference, Astrohall, Houston, Tex. Information: Coal Technology '80, 6006 Bellaire Blvd., Suite 100, Houston, Tex. 77081. Telephone: 713-6665188.

NOTE

ONLY THE FOLLOWING PAGES OF THIS PUBLICATION

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